

CALIFORNIA

OCCUPATIONAL GUIDES

ACCOUNTANTS AND AUDITORS

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INTEREST AREA
CONVENTIONAL



WHAT DO ACCOUNTANTS AND AUDITORS DO?

ACCOUNTANTS AND AUDITORS help to ensure that the nation's firms are run more efficiently, its public records kept more accurately, and its taxes paid properly and on time. They examine, analyze, and interpret accounting records for the purpose of giving advice or preparing financial statements.

Accountants

Accountants analyze financial information and prepare financial reports to determine or maintain records of assets, debts, profit and loss, tax liability, or other financial activities within an organization. Accountants perform the following tasks:

- Analyze operations, trends, costs, revenues, financial commitments, and obligations incurred, to project future revenues and expenses, usually using computer software program.
- Develop, maintain, and analyze budgets, and prepare periodic reports comparing budgeted costs to actual costs.
- Analyze records of financial transactions to determine accuracy and completeness of entries.
- Prepare balance sheet, profit and loss statement, amortization and depreciation schedules, and other financial reports, using calculator or computer.
- Report finances of establishment to management, and advise management about resource utilization, tax strategies, and assumptions underlying budget forecasts.
- Develop, implement, modify, and document budgeting, cost, general, property, and tax accounting systems.
- Predict revenues and expenditures, and submit reports to management.
- Compute taxes owed, ensure compliance with tax payment, reporting, and other tax requirements, and represent establishment before taxing authority.
- Survey establishment operations to ascertain accounting needs.
- Establish table of accounts, and assign entries to proper accounts.
- Audit contracts, and prepare reports to substantiate transactions prior to settlement.

- Prepare forms and manuals for workers performing accounting and bookkeeping tasks.
- Appraise, evaluate, and inventory real property and equipment, record description, value, and location.
- Direct activities of workers performing accounting and bookkeeping tasks.

Auditors

Auditors examine and analyze existing accounting records to determine the financial status of an establishment, and prepare financial reports concerning operating procedures. In California, financial Auditors must hold current Certified Public Accountant (CPA) licenses. This requirement does not apply to State Auditors, Program Auditors, and Tax Auditors in government agencies, whose duties reflect monitoring, performance, and compliance-related activities.

Auditors perform the following tasks:

- Review data about material assets, net worth, liabilities, capital stock, surplus, income, and expenditures.
- Analyze annual reports, financial statements, and other records, using accepted accounting and statistical procedures, to determine financial condition.
- Inspect books and systems for efficiency, effectiveness, and use of accepted accounting.
- Inspect cash on hand, notes receivable and payable, negotiable securities, and canceled checks.
- Report to management about asset utilization and audit results, and recommend changes in operations and financial activities.
- Review taxpayer accounts, and conduct audits on-site, by correspondence, or by summoning taxpayer to office.
- Analyze data for deficient controls, duplicated effort, extravagance, fraud, or non-compliance with laws, regulations, and management policies.
- Audit records to determine unemployment insurance premiums, liabilities, and compliance with tax laws.
- Examine payroll and personnel records to determine worker's compensation coverage.
- Examine records, tax returns, and related documents pertaining to settlement of decedent's estate.
- Verifies journal and ledger entries by examining inventory.
- Confers with company officials about financial and regulatory matters.
- Evaluates taxpayer finances to determine tax liability, using knowledge of interest and discount, annuities, valuation of stocks and bonds, and amortization valuation of depletable assets.
- Examines records and interviews workers to ensure recording of transactions and compliance with laws and regulations.
- Supervises auditing of establishments, and determines scope of investigation required. Directs activities of personnel engaged in filing, recording, compiling and transmitting financial records.

WHAT SKILLS ARE IMPORTANT?

Important skills, knowledge, and abilities for Accountants include:

- Economics and Accounting – Knowledge of economic and accounting principles and practices, the financial markets, banking, and the analysis and reporting of financial data.
- Mathematics – Knowledge of arithmetic, algebra, geometry, calculus, statistics, and their applications.
- Complex Problem Solving – Identifying complex problems and reviewing related information to develop and evaluate options and implement solutions.
- Management of Financial Resources – Determining how money will be spent to get the work done, and accounting for these expenditures.
- Judgment and Decision Making – Considering the relative costs and benefits of potential actions to choose the most appropriate one.
- Reading Comprehension – Understanding written sentences and paragraphs in work-related documents.
- Written Comprehension – The ability to read and understand information and ideas presented in writing.

- **Written Expression** – The ability to communicate information and ideas in writing so others will understand.
- **Near Vision** – The ability to see details at close range (within a few feet of the observer).
- **Number Facility** – The ability to add, subtract, multiply, or divide quickly and correctly.

These professionals should have knowledge of personal computers and accounting software. They should also be able to work independently, perform well under pressure, comprehend information quickly, and possess good analytical and communication skills. They must be able to explain and interpret data for clients. Employers often require that applicants be bondable. This means the worker can have no previous criminal, felony, or misdemeanor convictions such as driving under the influence, bad credit, vandalism, or unpaid child support.

WHAT'S THE WORK ENVIRONMENT?

Accountants and Auditors work in a normal office setting and away from their desk in a client's office to perform audits. Some jobs require considerable travel. The work is often challenging and may be stressful. Accountants often work long hours under pressure during the first quarter of the calendar year, which is both tax and audit season.

Union Membership

Except for those who work in education and government agencies, there has been little unionization of Accountants and Auditors.

WHAT'S THE CALIFORNIA JOB OUTLOOK?

The following information is from the occupational projections produced by the Employment Development Department (EDD) Labor Market Information Division (LMID):

Estimated number of workers in 2000:	97,900
Estimated number of workers in 2010:	122,500
Projected Growth 2000-2010:	25.1%
Est. openings due to separations by 2010:	16,300
<i>These figures do not include self-employment.</i>	

Accountants and Auditors will grow faster than average compared with all occupations in California. According to the California Board of Accountancy, there were 63,221 licensed CPAs in December of 2002, with 37,990 of those listed as "active" practitioners.

Trends

A growing number of Accountants and Auditors have extensive computer skills and specialize in correcting problems with existing software programs. Some Accountants develop their own software to meet unique data needs. There is evidence that some Accountants and accounting students are leaving the field for better paying jobs in computer programming.

WHAT DOES THE JOB PAY?

California Earnings

Accountants and Auditors 2002 Wages

Hourly wages range from	\$20.00	to	\$33.18
Average hourly wage	\$27.81		
Average annual wage	\$57,845		

Source: Occupational Employment Survey of Employers by EDD/LMID.

Earnings often exceed \$100,000 annually for CPAs who work in large well-known firms, or who are partners in successful companies.

Hours

Work hours vary according to specialties and season. Most Accountants work 40 hours per week, but overtime is almost always required during tax season, which lasts approximately from January through mid-April.

Benefits

Benefits normally include vacation, sick leave, group health insurance, and retirement plans. Some companies offer profit-sharing plans. CPA firms often pay for CPA exams, continuing education courses, and professional society membership dues.

HOW DO I PREPARE FOR THE JOB?

Education and Training

Accountants and Auditors almost always need a Bachelor's degree with a major in accounting. For tax management accounting, a Master's degree is desirable. A college grade point average of 3.0 or higher is generally expected for job entry into accounting firms.

Licensing and Certification

The California Board of Accountancy, as a part of the Department of Consumer Affairs, is responsible for examining and licensing Certified Public Accountants and for enforcing the state laws regulating the practice of public accountancy.

California and all other states use the same Uniform CPA examination prepared by the American Institute of Certified Public Accountants. The examination is given twice a year in California at locations in Pleasanton, Sacramento, San Diego, and Pomona. Although candidates are not required to pass all the parts at once, they must do so within three years of passing two or more parts of the first exam. A carefully planned, intensive review contributes to success on the exam.

There are several ways to qualify to take the CPA examination in California:

1. Baccalaureate or graduate degree from a college or university accredited by a U.S. regional or national accreditation body, which includes a core course requirement of 45 semester units of accounting and business subjects, with a minimum of 10 units in accounting subjects.
2. 120 semester units of course work (no degree) from a college or university accredited by a U.S. regional or national accreditation body, which includes a core course requirement of 45 semester units of business and accounting subjects, including a minimum of 10 semester units in accounting.
3. The equivalent of Alternative (1) or (2) at a foreign college or university. Foreign degrees must be evaluated by a Board-approved Academic Credential Service, and evaluations must be submitted to the Board of Accountancy either prior to applying for the CPA exam or with the exam application.
4. Passing grade in Board specified preliminary examinations provided by the College Level Examination Program (CLEP) and 10 semester units of accounting from an accredited college or university, OR be a member of a Board-recognized foreign accounting society.

Some colleges offer internships and/or cooperative education work-study programs for a limited number of accounting students in their junior year or above. Such programs offer valuable practical experience and often lead to permanent jobs.

Public Accountant licenses are no longer issued to new Accountants, and are only renewed to current licensees.

Continuing Education

Eighty continuing education units are required every two years in order to retain one's CPA license. Of these, 24 units must pertain to auditing and accounting topics.

HOW DO I FIND THE JOB?

Direct application to employers remains one of the most effective job search methods. Private firms are listed in the yellow pages under Accountants. California job openings can be found at various online job-listing systems including CalJOBSSM at www.caljobs.ca.gov or at America's Job Bank at www.ajb.dni.us.

For other occupational and wage information and a listing of the largest employers in any county, visit the Employment Development Department Labor Market Information Web page at www.calmis.ca.gov. Find further job search assistance from your nearest Job Service office www.edd.ca.gov/jsloc.htm or the closest One-Stop site listed on the California WorkNet site, www.sjtcc.ca.gov/sjtccweb/one-stop.

WHERE CAN THIS JOB LEAD?

Management Accountants may earn the Certificate in Management Accounting (CMA) from the Institute of Management Accounting, or the Certificate in Internal Auditing (CIA) from the Institute of Internal Auditing. Both require lengthy written exams and experience. Although neither of these certificates is required by law, they are generally considered symbols of achievement and can help in career advancement.

Experienced CPAs may advance to manager and eventually to partner. Some leave to open their own practices. Management Accountants may become senior-level supervisors or department managers. A few become Controllers, Treasurers, or Chief Financial Officers.

OTHER SOURCES OF INFORMATION

California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832
(916) 263-3680
www.dca.ca.gov/cba

California Society of Certified Public Accountants
1235 Radio Road
Redwood City, CA 94065-1217
(800) 922-5272
www.calcpa.org

The Institute of Internal Auditors
247 Maitland Avenue
Altamonte Springs, FL 32701-4201
(407) 937-1100
www.theiia.org

Employment Projections by Occupation
www.calmis.ca.gov/htmlfile/subject/occproj.htm

Employment and Wages by Occupation
[www.calmis.ca.gov/file/occup\\$/OES\\$.htm](http://www.calmis.ca.gov/file/occup$/OES$.htm)

RELATED OCCUPATIONAL GUIDES

Bookkeeping, Accounting, and Auditing Clerks	No. 26
Tax Preparers and Interviewers	No. 482

OCCUPATIONAL CODE REFERENCES

SOC (*Standard Occupational Classification*)
Accountants and Auditors 13-2011

O*NET (*Occupational Information Network*)
Accountants 13-2011.01
Auditors 13-2011.02

OES (*Occupational Employment Statistics*)
Accountants and Auditors 21114

DOT (*Dictionary of Occupational Titles*)
Accountant, Tax 160.162-010
Accountant, Budget 160.162-022
Accountant, Cost 160.162-026